M0390013

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cc: John

RECEIVED E-Mail

SEP 2 0 2010

From: Brian Comer <BComer@awbank.net>
To: Paul Baker <paulbaker@utah.gov>

Date: 9/17/2010 11:50 AM

Subject: RE: Well Reclamation, B&C Limestone Quarry Reclamation Div. of Oil, Gas & Mining

Paul,

The Bank has decided not to pursue the reclamation and intends to cancel the Letter of Credit effective immediately. The Bank will honor your sight draft to the Face amount of the Letter of Credit if presented by the automatic renewal date of 8-30-2011. Preferably as soon as possible. If you have any questions or need anything else from me please let me know.

Thank you for your consideration.

----Original Message----

From: Paul Baker [mailto:paulbaker@utah.gov] Sent: Thursday, September 02, 2010 2:34 PM

To: Brian Comer

Cc: John Blake; John Rogers

Subject: RE: Well Reclamation, B&C Limestone Quarry Reclamation

Brian--

Our Associate Director, Dana Dean, and I talked about this today with two attorneys from the Attorney General's office. The attorneys were hoping we might be able to set up a meeting with you and discuss a possible stipulation allowing you to do the reclamation work.

Have you tried to get with a contractor? We might want to have our inspector, John Rogers, meet with you, a potential contractor, and John Blake from Trust Lands on site to go through the reclamation plan and discuss what reclamation work needs to be done.

About having the bank do the reclamation, John Blake said:

"I think that would be okay provided the bank will work with us in identifying the tasks that need to be performed, and that they timely complete all of the tasks. Sonja Wallace has identified some hazardous-waste removal issues that must be addressed before regrading can occur. Also, we may have a party interested in buying and removing some of the large sawblocks and inventory stockpile in conjunction with the reclamation effort."

John informed us that the propane tanks have been removed.

Paul Baker Minerals Program Manager Utah Division of Oil, Gas and Mining 801-538-5261 Fax 801-359-3940

>>> Brian Comer <BComer@awbank.net> 8/18/2010 12:21 PM >>> Thanks Paul...any possibility we could get a contractor in there to give us a bid? Is there anyone you would recommend?

----Original Message----

From: Paul Baker [mailto:paulbaker@utah.gov] Sent: Tuesday, August 17, 2010 9:55 AM

To: Brian Comer

Subject: Well Reclamation

The well at the B&C Limestone quarry needs to be reclaimed, but the Division of Water Rights would allow a cap to be welded on top of the casing—a much less expensive option than plugging (perhaps \$500 versus \$10,000).

In case of forfeiture, a surety company normally has the option of hiring someone to do reclamation rather than paying the money to the State. I don't believe that option is listed in the letter of credit agreement, but the Trust Lands Administration and the Division and Board of Oil, Gas and Mining might be willing to allow it (although I'm sure Trust Lands would not allow Bryce Haas to be the contractor). If it comes down to forfeiture, it's an option you may want to examine.

Paul Baker Minerals Program Manager Utah Division of Oil, Gas and Mining 801-538-5261 Fax 801-359-3940

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